

### REMARKS

Claims 56 and 62-64 were cancelled without prejudice or disclaimer of the subject matter in the 12 April 2004 Amendment. Claims 1-55, 57-61, and 65-68 are pending in the application. Applicants have amended claim 1 as indicated in the Listing of Claims.

#### Telephonic Interview

Applicants thank the Examiner for the courtesies extended during the 30 August 2004 and 11 October 2004 telephonic interviews.

#### Claim Rejections

Claims 1-55, 57-61, and 65-68 are rejected under 35 U.S.C. § 103(a) as being unpatentable over *Salvo* (U.S. Patent No. 6,341,271). Claims 1-55, 57-61, and 65-68 stand rejected under 35 U.S.C. § 102(b) as being anticipated by *Tone et al.* (U.S. Patent No. 5,596,493) or the Business Wire "Automatic Replenishment Moves to the Internet with ProSAIM from Profile Systems" article. Claim 1 stands rejected under 35 U.S.C. § 102(a) as being anticipated by *Rosenberg et al.* (U.S. Patent No. 6,418,416). Claim 1 stands rejected under 35 U.S.C. § 102(e) as being anticipated by *Armington* (U.S. 2001/0017023) or *Yang et al.* (U.S. 2001/0034673), or *Hoblit* (US 20012/0072977).

Claim 1, as amended, particularly recites "a method for creating an optimal inventory" including the steps of "analyzing item data; identifying one or more dynamic characteristics of the data that significantly affect the one or more business objectives; dynamically configuring via a user interface a plurality of rules for based on one or more dynamic business objectives and the characteristics of the item data that significantly affect the one or more business objectives; executing the plurality of rules; selecting at least one item to be included in the inventory; determining, for each of the selected items, a quantity to be stocked; evaluating the inventory in relation to the one or more business objectives prior to implementing the inventory; and repeating the above steps to optimize the inventory as the characteristics and business objectives change" (emphasis added).

Support for the present amendment is found in Applicants' specification, for example, at p. 2, lines 15-17 ("the ability to quickly adapt stocking plans to changes in the inventory"); p. 16, lines 6-13 ("identifying characteristics that have a significant impact on the inventory"); p. 17, lines 15-19 (rules are selected and configured according to characteristics of inventory data); p. 18, lines 1-12 (rules can be configured 'on the fly'); p. 21, lines 7-32 (evaluating a plan prior to implementing); and p. 22, line 4 - p. 23, line 4 (dynamically

configuring rules, repeating steps as characteristics and objectives change).

The cited references deal specifically with replenishing stock in an existing inventory ("stocking levels"). Further, the cited references only teach determining desired stocking levels based on fixed formulas. None of the prior art cited discloses, teaches, or suggests the above-described claimed combination of steps. The teaching, suggestion, and motivation to make the claimed combination is only found in Applicants' specification.

#### Final Comments

Applicants believe that the application is now in condition for allowance and a Notice of Allowance is earnestly solicited.

Applicants request that, if necessary, this Response be considered a request for an extension of time for a time appropriate for the Response to be timely filed. Applicants request that any required fees for filing this Response be charged to the account of Bose McKinney & Evans LLP, Deposit Account Number 02-3223.

Respectfully submitted,

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